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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1947.

No. 664

ANDREW J. McPARTLAND, INC.,
Petitioner,

vs.

MONTGOMERY WARD & CO., INC.,
Respondent.

BRIEF IN RESPONSE TO PETITION FOR WRIT OF CERTIORARI.

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INDEX.

CITATIONS.

STATUTES.

MISCELLANEOUS.

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This case originated as a simple Patent Office proceeding brought by Respondent to cancel Petitioner's trademark registration "KWIXTART" for electric storage batteries. Cancellation was recommended by the Examiner of Interferences and ordered by the Commissioner of Patents, whose decision was sustained by the Court of Customs and Patent Appeals (R. 64, 67, 120). Petitioner now seeks to have that decision reviewed by certiorari. Respondent believes that the Petition must be denied on the ground that this Court has no jurisdiction to

review a mere administrative action of this kind. Moreover, even if jurisdiction existed, the Petition would have to be denied for failure to state any substantial public interest warranting review by certiorari.

I.

This Court Lacks Jurisdiction to Review a Decision of the Court of Customs and Patent Appeals Sustaining the Cancellation of a Trade-mark Registration Since Such a Decision Is Merely Administrative and Not Judicial.

In arguing for the jurisdiction of this Court to grant certiorari in a Patent Office cancellation action, Petitioner has a formidable line of cases to overcome. In *Postum Cereal Co.* v. *California Fig Nut Co.*, 272 U. S. 693, this Court refused to review trade-mark proceedings commenced in the Patent Office and taken to the Court of Appeals for the District of Columbia (which, prior to 1929, exercised the jurisdiction now held by the Court of Customs and Patent Appeals in patent and trade-mark cases). Petitioner claims, however, that this case and others to the same effect can be distinguished.

Petitioner's argument, as we understand it, comes to this: Prior to 1927 decisions of the Court of Appeals of the District of Columbia on appeals from Patent Office decisions in trade-mark cases, pursuant to Section 4911, Revised Statutes (35 U.S.C.A., Sec. 59a), were not reviewable by this Court because not final. They were not final because the defeated litigant could subsequently seek the same relief by bill in equity, as provided in Section 4915, Revised Statutes (35 U.S.C.A., Sec. 63). After 1927, this alternative remedy was waived if a direct ap-

peal from a Patent Office decision was taken (Revised Statutes, Sec. 4911; 35 U.S.C.A., Sec. 59a).

The simple answer to Petitioner's argument is that decisions of the Court of Customs and Patent Appeals in trade-mark matters are still not *final*, because they are merely administrative rather than judicial in character and, hence, are not *res adjudicata* when like or related questions are raised in subsequent litigation.

Postum Cereal Co. v. *California Fig Nut Co., supra,* is still good law and is controlling in this case. The text of the case itself shows that Petitioner's purported distinction is not sound. The Postum Company filed a petition in the Patent Office to cancel the trade-mark "Fig Nuts," registered under the Act of 1920. The petition was denied by the Commissioner. The Court of Appeals for the District of Columbia held that it had no jurisdiction to hear an appeal in a proceeding to cancel a 1920 registration. The Postum Company thereupon sought a review in this court.

The Postum Company made the same argument for invoking the jurisdiction of the Court as Petitioner makes here and cited the same cases—*Shaffer* v. *Carter,* 252 U. S. 37; *Baldwin* v. *Robertson,* 265 U. S. 168. This Court said:

> "We do not think this course of argument can be sustained. Assuming for the purposes of this discussion, that the District Court of Appeals was wrong

in not holding that section 9 of the act of 1905* did apply to the Commissioner of Patents' decision under the Act of 1920, even so, an appeal cannot be taken to this court to remedy the error. *The decision of the Court of Appeals under section 9 of the act of 1905 is not a judicial judgment. It is a mere administrative decision.* It is merely an instruction to the Commissioner of Patents by a court which is made part of the machinery of the Patent Office for administrative purposes. In the exercise of such function it does not enter a judgment binding parties in a case as the term case is used in the third article of the Constitution. Section 9 of the Trade-Mark Act of 1905, applies to the appeal taken under it the same rules which under section 4914, R.S. (Comp. St. Sec. 9459), apply to an appeal taken from the decision of the Commissioner of Patents in patent proceedings. *Butterworth* v. *Hoe,* 112 U. S. 50, 60, 5 S. Ct. 25, 28 L. Ed. 656; *Gaines* v. *Knecht,* 27 App. D. C. 530, 532; *Atkins* v. *Moore,* 212 U. S. 285, 291, 29 S. Ct. 390, 53 L. Ed. 515. Neither the opinion nor decision of the Court of Appeals under section 4914 R.S., or section 9 of the act of 1905, precludes any person interested from having the right to contest the validity of such patent or trade-mark in any court where it may be called in question. This result prevents an appeal to this court which can only review judicial judgments. This court has so decided in *Frasch* v. *Moore,* 211 U. S. 1, 29 S. Ct. 6, 53 L. Ed. 65, in an appeal as to patent proceedings, and in *Atkins* v. *Moore,* 212 U. S. 285, 29 S. Ct. 390, 53 L. Ed.

* "That if an applicant for registration of a trade-mark, or a party to an interference to a trade-mark, or a party who has filed opposition to the registration of a trade-mark, or a party to an application for the cancelation of the registration of a trade-mark, is dissatisfied with the decision of the Commissioner of Patents, he may appeal to the Court of Appeals of the District of Columbia, [now United States Court of Customs and Patent Appeals] on complying with the conditions required in case of an appeal from the decision of the commissioner by an applicant for patent, or a party to an interference as to an invention, and the same rules of practice and procedure shall govern in every stage of such proceedings, as far as the same may be applicable."

515 as to appeals in trade-mark proceedings. This was the *ratio decidendi* of *Baldwin* v. *Howard*, 256 U. S. 35, 41 S. Ct. 405, 65 L. Ed. 816, already referred to, where both appeal and certiorari were denied in a similar trade-mark proceeding.

"It was said in these cases that the appeal was denied because the action of the Court of Appeals was not a final judgment. This reason was a true one, but it should not be understood to imply that in such a proceeding, circumstances might give it a form that would make it a final judgment subject to review by this court. That is the error that the appellant here has made in pressing its appeal. Appellant relies on *Shaffer* v. *Carter*, 252 U. S. 37, 44, 40 S. Ct. 221, 64 L. Ed. 445, holding that a judgment of dismissal for lack of jurisdiction is a final judgment for purposes of appeal. But the citation has no application in such a case as this. For here the action of the Court of Appeals in its dismissal was dealing with something which even if it should have been received, was not in the proper sense a judgment at all. *Whatever the form of the action taken in respect of such an appeal, it is not cognizable in this court upon review, because the proceeding is a mere administrative one.*" (272 U. S. 698-700. Emphasis supplied.)

This language shows that Petitioner's labored explanation of the *Postum* case as resting on a change of statutory language in 1927 is wrong. This Court in the *Postum* case (having already denied certiorari, 266 U. S. 609) refused jurisdiction on appeal, not because the appellant's additional remedy by bill in equity under Section 4915, Revised Statutes, withdrew the attribute of finality from the Court of Appeals' decision, but because that decision was not a judgment at all but a mere administrative determination. The argument made by the appellant there, was exactly the same as Petitioner makes now; so that

the language quoted from that case disposes aptly and completely of Petitioner's contention.

If Petitioner's argument were sound, then after the amendment in 1927 of sections 4911 and 4915, Revised Statutes, whereby the two remedies became alternative rather than cumulative, the decisions of the Court of Customs and Patent Appeals in cases involving the purely administrative proceedings of the Patent Office—interferences, oppositions, cancellations and the disallowance of patent claims—having been made final in form, would have been reviewable by this Court on certiorari. This theory was tested in *Pacific Northwest Canning Co.* v. *Skookum Packers Association*, 45 F. 2d 912. That case was an opposition proceeding in the Patent Office. It came up to the Court of Customs and Patent Appeals in 1930—three years after the amendment of 1927 so much emphasized by Petitioner. The defeated party petitioned this Court for certiorari, which was refused in 283 U. S. 858. This was the entry:

> "June 1, 1931. Per Curiam. The petition for writs of certiorari herein is denied for the want of jurisdiction. Section 240, Judicial Code; section 347, U. S. Code, Title 28 (28 U.S.C.A. Sec. 347); *Postum Cereal Co.* v. *California Fig Nut Co.*, 272 U. S. 693, 47 S. Ct. 284, 71 L. Ed. 478."

In *Fessenden* v. *Wilson*, 284 U. S. 640; *Chase* v. *Avery*, 307 U. S. 638, and *McBride* v. *Teeple*, 311 U. S. 649, this Court refused certiorari to the Court of Customs and Patent Appeals in patent interference cases. The *McBride* case cited the *Postum* and *Skookum* cases as authorities for denial of certiorari.

Further affirmation of the basis of the *Postum* case—the distinction between the exercise of judicial and administrative functions and the lack of jurisdiction in this

Court to review the latter type, is found in *Proctor & Gamble Co.* v. *J. L. Prescott Co.* (C.C.A. 3rd), 102 F. 2d 773. Proctor & Gamble sued Prescott for trade-mark infringement, and Prescott counterclaimed for infringement of its trade-mark "Chase-O" by Proctor & Gamble's trade-mark "Chipso". Prior to this suit, Prescott had filed a petition in the Patent Office for cancellation of "Chipso". Cancellation was ordered by the Commissioner and sustained by the Court of Customs and Patent Appeals in *Proctor & Gamble Co.* v. *J. L. Prescott Co.*, 77 F. 2d 98. In the infringement suit Proctor & Gamble prayed that "Chipso" be restored to the trade-mark register in the Patent Office. Prescott argued and the District Court held that the decision of the Court of Customs and Patent Appeals affirming the cancellation order was *res adjudicata*. On that point the Circuit Court of Appeals reversed, holding on the authority of the *Postum* case that the decision of the Court of Customs and Patent Appeals in a cancellation proceeding was not *res adjudicata*. It held, however, that a District Court had no authority under the trade-mark statutes to reinstate a cancelled trade-mark to the Patent Office register. Certiorari was denied (308 U. S. 557).

The *Proctor & Gamble* case demonstrates that a decision of the Court of Customs and Patent Appeals sustaining cancellation of a trade-mark is not *res adjudicata* of the ownership or validity of such mark. Although "Chipso" was cancelled from the Patent Office register because it was held to be confusingly similar to "Chase-O" and Prescott was found to have had prior use and registration of its mark, Proctor & Gamble continued to use the "Chipso" mark, and the Circuit Court of Appeals refused to grant Prescott relief on its claim of infringement.

Petitioner fails to cite a single precedent for review by certiorari of a trade-mark cancellation proceeding. He does not bolster his position by the strained effort to qualify this action as a "case" under Section 40 of the Trade-Mark Act of 1946 (authorizing review of "cases" by certiorari) merely by citing various instances where the word "case" or "cases" is used in the Act (Pet. 26-29). The question is one of the exercise of judicial powers under the Constitution and, therefore, must be decided by the concepts embraced in Section 2, Article 3 of the Constitution, conferring on federal courts judicial power in "all cases, in law and equity, arising under the Constitution * * *" The question cannot be decided by reference to the manner in which the word "case" is used in any particular statute.

Petitioner cites *Baldwin Co.* v. *Robertson*, 265 U. S. 168, as an example of a trade-mark case reviewed by appeal to this Court (Pet. 29). There is no comfort for Petitioner in that case, however, for it was not a Patent Office proceeding but a bill in equity for an injunction restraining the Commissioner of Patents from cancelling trade-mark registrations; and, furthermore, it was brought only *after* a petition for certiorari in the cancellation proceeding itself had been refused by this Court. *Baldwin* v. *Howard*, 256 U. S. 35.

Petitioner cites *Atkins* v. *Moore*, 212 U. S. 285, for the proposition that in a cancellation proceeding the Commissioner of Patents acts in a judicial capacity (Pet. 29). The case holds the contrary. The language in that case to which Petitioner apparently refers was quoted with ap-

proval from *Gaines* v. *Knecht*, 27 App. D. C. 530 (writ of error dismissed, 212 U. S. 561), which was a trade-mark opposition proceeding. The quotation was as follows:

> "It may be true that the Commissioner acts in a judicial capacity in determining whether the applicant is the owner of the trade-mark, and whether it is one of those marks the registration of which is prohibited; but, when he has determined these in favor of the applicant, the act to be performed by him is ministerial merely, and that is the act which it is claimed he should have refused to perform, on the ground that the statute is unconstitutional. Such judicial proceedings as there are issue and culminate in a purely ministerial act—the mere registration of a mark * * *" 212 U. S. 290.

Clearly the Court was saying that, although there might be elements of adjudication in determining the issues in Patent Office proceedings, the final decisions therein were purely administrative in character—and it is the decisions from which appeals are taken.

Nothing that Petitioner has said in his argument for jurisdiction can have any persuasion in the teeth of the unwavering line of authorities from *Frasch* v. *Moore*, 211 U. S. 1, to *McBride* v. *Teeple*, 311 U. S. 649.

II.

No Substantial Public Interest Is Involved in This Case.

The Court below decided that the trade-mark "KWIX-TART" was descriptive of electric storage batteries (R. 122). It decided further that the Trade-Mark Act of 1946 did not apply to the appeal in this case, but that even if it did the disposition of the case was not affected, because Section 2 (e) of the new Act, which prohibits registration of a mark "which, (1) when applied to the goods of the applicant is merely descriptive * * * of them" does not

permit registration of a mark which is descriptive "of the character or quality of such goods" (R. 128-9).

It seems self-evident that there is nothing revolutionary or challenging to the public interest in these propositions. They are relatively simple conclusions deducible from principles of reason as well as the precepts of law stated by the court. Petitioner cites no decisions of this Court with which the decision below conflicts in principle. He cites several decisions of the Commissioner of Patents, Court of Customs and Patent Appeals and District Courts holding certain marks not to be descriptive, and alleges that the decision conflicts with them. But the issue of the descriptiveness of a particular mark is not one to be settled by reference to prior decisions. Who can say whether "KWIXTART" is or is not descriptive of electric storage batteries because "MINITMIX" is not descriptive of prepared biscuit flour (*Ex Parte Pillsbury Co.*, 23 U.S.P.Q. 168) while "QUIKMIX" is (*Hershey Chocolate Corp.* v. *Commercial Milling Co.*, 28 U.S.P.Q. 29)? As the Court of Customs and Patent Appeals said in *International Vitamin Corporation* v. *Winthrop Chemical Co.*, 147 F. 2d 1016, 1017-18:

> "Many cases have been cited by both parties, but as we have often held in trade-mark litigation such as comes to this court, each case must of necessity be decided on its own facts, and precedents are of little help in deciding such cases. *In re Dutch Maid Ice Cream Company*, 95 F. 2d 262, 25 C.C.P.A., Patents, 1009."

Even if jurisdiction were present in this case, therefore, there is no such public interest or such confusion or conflict at law as would justify its exercise.

The Petition for writ of certiorari must be denied.

Respectfully submitted,

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